

President's Speech on Military Spending and a New Defense

WASHINGTON, March 23. Following is the text of President Reagan's speech tonight, as made available by the White House:

Thank you for sharing your time with me tonight. The subject I want to discuss with you, peace and national security, is both timely and important. I have reached a decision which offers a new hope for our children in the 21st century — a decision I will tell you about in a few minutes — and I am confident that there is a very big decision that you must make for yourselves. This subject involves the most basic duty that any President and any people share — the duty to protect and strengthen the peace.

At the beginning of this year, I submitted to the Congress a defense budget which reflects my best judgment, and the best understanding of the experts and specialists who advise me, about what we and our allies must do to protect our people in the years ahead.

That budget is much more than a long list of numbers, for behind all the numbers lies America's ability to prevent the greatest of human catastrophes and preserve our free way of life in a sometimes dangerous world. It is part of a careful, long-term plan to make America strong again after too many years of neglect and mistakes. Our efforts to rebuild America's defenses and strengthen the peace began two years ago when we requested a major increase in the defense program. Since then the amount of our defense has increased by first proposed has been reduced by half through improvements in management and procurement and other savings. The budget reduction is now before the Congress has been trimmed to the limits of safety. Further deep cuts cannot be made without seriously endangering the security of the nation. The choice is up to the men and women you have elected to the Congress — and that means the choice is up to you.

Not About Arithmetic

Tonight I want to explain to you what this defense debate is all about, and why I am convinced that the budget now before the Congress is necessary, responsible and deserving of your support. And I want to offer hope for the future.

But first let me say that the defense debate is not about it. It is not about spending arithmetic. I know that in the last few weeks you've been bombarded with numbers and percentages. Some say we need only a 1 percent increase in defense spending, the so-called alternate budget backed by liberals in the House of Representatives would lower the figure to 3 or 4 percent, cutting our defense by \$10 billion over the next five years. The trouble with all these numbers is that they tell us nothing about the defense program America needs or the benefits in security and freedom that our defense effort buys for us.

What seems to have been lost in all this debate is the simple truth that our defense budget is arrived at. It isn't done by deciding to spend a certain number of dollars. That's too loud voices that are occasionally raised in Congress that the Government is trying to solve a security problem by throwing money at it as if it were nothing more than noise based on ignorance.

We start by considering what must be done to maintain peace and security, all the possible threats against our security. Then a strategy for strengthening peace and defending against those threats must be agreed upon. And finally our defense establishment must be evaluated to see what is necessary to protect against the threats, the potential threats. The cost of achieving these ends is totaled up, and the result is the budget for national defense.

What to Eliminate

There is no logical way you can say let's spend X billion dollars less. You can only say, which part of our defense measures do we believe we can do without and still have security against all contingencies? Anyone in the Congress who advocates a percentage or specific dollar cut in defense spending should be able to explain what part of our defenses he would eliminate, and he should be candid enough to acknowledge that his cut means cutting our commitments to allies or inviting greater risk to both.

The defense policy of the United States is based on a simple principle: The United States does not start a war. We will never be an aggressor. We maintain our strength in order to deter and defend against aggression — to preserve freedom and peace.

Since the dawn of the atomic age, we have sought to reduce the risk of war by maintaining a strong deterrent by seeking genuine arms control. Deterrence means simply making sure any adversary who thinks about attacking the United States or our allies or our vital interests knows that the risks to him outweigh any potential gains. Once he understands that, he won't attack. We maintain the peace through our strength; weakness only invites aggression.

Current Role of Deterrence

This strategy of deterrence has not changed. It still works. But what it takes to maintain deterrence has changed. It took one kind of military force to deter an attack when we had far more nuclear weapons than any other power; it takes another kind now that the Soviet Union, for example, has enough accurate and powerful nuclear weapons to destroy virtually all of our missiles on the ground. This is not to say the Soviet Union is planning to make war on us. Nor do I believe a war is inevitable — quite the contrary. But we must be prepared to meet all threats.

There was a time when we depended on coastal forts and artillery batteries; because with the weaponry of that day, any attack would have had to come by sea. It was then that our arms and our defenses must be based on recognition and awareness of the

weaponry possessed by other nations in the nuclear age. The Soviet Union will never be threatened. There have been two world wars in my lifetime. We didn't start them and, indeed, did everything we could to avoid being drawn into them. But we were ill-prepared for both — had we been better prepared, peace might have been preserved.

For 20 years, the Soviet Union has been accumulating enormous military might. They didn't stop when their forces exceeded all requirements of a legitimate defensive capability. And they haven't stopped now.

The Soviet Gains

During the past decade and a half, the Soviets have built up a massive arsenal of new strategic nuclear weapons — weapons that can strike directly at the United States.

As an example, the United States introduced its last new intercontinental ballistic missile, the Minuteman III, in 1969, and we are now drawing down our own older Titan missiles. But what has the Soviet Union done in these intervening years? In the early 1960s, the Soviet Union built five new classes of ICBMs, and upgraded these eight times. As a result, their missiles are much more powerful and accurate than theirs were several years ago and they continue to develop more, while ours are increasingly obsolete.

The same thing has happened in other areas. Over the same period, the Soviet Union built four new classes of submarine-launched ballistic missiles and over 600 new ballistic submarines. We built our new Poseidon missile, but the missiles and actually withdrew 10 submarines from strategic missions. The Soviet Union built over 200 new Black Jack bombers, and their brand new Black Jack bomber is now under development. We haven't built a new long-range bomber since the B-52, which was deployed about a quarter of a century ago, and we've already retired several hundred of those old bombers. In fact, indeed, since the early 1960s, our strategic forces only cost about 15 percent of the defense budget.

Medium-Range Nuclear Arms

Another example of what's happened in 1979, the Soviet Union built intermediate-range nuclear missiles based on land and were beginning to build a new, highly accurate mobile missile, the SS-20, which we had none. Since then the Soviets have strengthened their lead. By the end of 1982, the Soviet Union had declared "a balance now exists," the Soviets had over 800 warheads, while we had only 450. At this month, Mr. Brezhnev declared a moratorium, or freeze, on SS-20 deployment by last August, their 800 warheads had increased to 1,200. We still had none. Some freeze.

At this time Soviet Defense Minister Ustinov said that the Soviet definition of parity is a box score of 1,300 to nothing, in their favor. So together with our NATO allies, we decided in 1979 to develop new weapons, beginning this year, as a deterrent to their SS-20s and as an incentive to protect against the serious arms control negotiations. We will begin that deployment late this year. At the same time, however, we are willing to cancel our SS-20s if the Soviets will dismantle theirs. This is what we have called a zero-to-zero plan. The Soviet Union is negotiating table — and I think it's fair to say that without our planned deployment, they wouldn't be there.

Conventional Forces

Now let's consider conventional forces. Since 1974, the Soviet Union has produced 3,000 tactical combat aircraft. By contrast, the Soviet Union has produced 21, while the United States has produced 61. For armored vehicles, the Soviet Union has produced 11,200. The Soviet Union has produced 54,000, a nearly 4-to-1 ratio in their favor. Finally, with artillery, we have produced 850 artillery and rocket launchers while the Soviets have produced more than 13,000, a staggering 15-to-1 ratio.

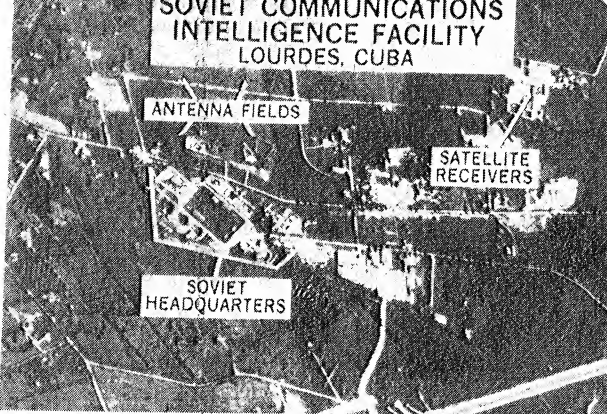
There was a time when we were able to outperform Soviet numbers with higher quality. But now they are building weapons as sophisticated and modern as our own.

As the Soviets have increased their military power, they have been boldened to extend that power. They are spreading their military influence in ways that threaten our security, our vital interests and those of our allies. The following aerial photographs, most of them secret until now, illustrate this point in a crucial area very close to home — Central America and the Caribbean Basin. They are not dramatic photographs but I think they help give you a better understanding of what I'm talking about.

Largest in the World

This Soviet intelligence collection facility less than 100 miles from our coast is the largest of its kind in the world. The acres and acres of antenna fields and intelligence monitors are targeted on our vital interests, our sensitive activities. The installation, in Lourdes, Cuba, is manned by Soviet technicians, and the satellite is in constant communication with Moscow. This 28-square mile facility has grown by more than 100 percent in the past decade, and the capability during the past decade.

In western Cuba, we see this military airfield and its complex of modern Soviet-built MIG-23 fighters. The Soviet Union uses this Cuban air-



First photograph shown by President Reagan last night, which he said illustrated Soviet military presence in Cuba.

field for its own long-range reconnaissance missions, and earlier this month two modern Soviet antisubmarine warfare aircraft began operating from it. During the past two years, the level of Soviet arms exports to Cuba can only be compared to the levels reached during the Cuban missile crisis 20 years ago.

Greene's Large Airfield

On the small island of Grenada, on the southern end of the Caribbean chain, the Cubans, with Soviet financing and backing, are in the process of building an airfield with a 10,000-foot runway. Grenada doesn't even have an air force. Who is it intended for? The Caribbean is a very important passage for our international commerce and military lines of communication. More than half of all U.S. imports and exports pass through the Caribbean. The rapid build-up of Grenada's military potential is unrelated to the region, and a threat to this island country of under 110,000 people, and totally at odds with the pattern of other eastern Caribbean nations, of which are unarmed. The Soviet-Cuban militarization of Grenada, in short, can only be seen as a power projection into the region, and it is in this important economic and strategic area that we are trying to demonstrate to the people of El Salvador, Costa Rica, Honduras and others in their struggles for democracy against guerrillas supported through Cuba and Nicaragua.

These pictures only tell a small part of the story. I wish I could show you the sensitive intelligence sources and methods. But the Soviet Union is also supporting Cuban military forces in Angola and Ethiopia, and in the Persian Gulf oil fields. They have taken over the Soviet-built Cam Ranh Bay in Vietnam, and now, for the first time in history, the Soviet Navy is a force to be reckoned with in the South Pacific.

Question of Soviet Intentions

Some people may still ask: Would the Soviets ever use their formidable military power? Well, again, can we afford to believe they won't? There is a lesson in Poland. The Soviet Union denied the will of the people and, in so doing, demonstrated to the world how military power could also be used to intimidate.

The final fact is that the Soviet Union is acquiring what can only be considered an offensive military force. They have continued to build more modern intercontinental ballistic missiles than they could possibly need simply to deter an attack. Their conventional forces are trained and equipped not so much to defend against an attack as they are to permit sudden, surprise offensives of their own.

Our NATO allies have assumed a great defense burden, including the military drain in most countries. They are working with us and our other friends around the world to do our defensive strategy means we need military forces that can move very quickly — forces that are trained and ready to respond to any emergency.

Every time in our defense program — our ships, our tanks, our planes — is intended for one all-important purpose — to keep the peace. Unfortunately, a decade of neglecting our military forces has led us into question to our ability to do that.

Situation in January 1981

When I took office in January 1981, I was appalled by what I found: American capabilities that could not fly and American ships that could not sail. The lack of spare parts and trained personnel and insufficient fuel and ammunition for essential tasks was the inevitable result of all this was a morale in our armed forces, difficulty in recruiting the brightest young Americans into the armed forces, difficulty in convincing our most ex-

perienced military personnel to stay on.

There was a real question, then, about how well we could meet a crisis. And it was obvious that we had to begin a major modernization program to insure we could deter aggression and preserve the peace in the years ahead.

We had to move immediately to improve the basic readiness and staying power of our conventional forces, so they could meet — and therefore help deter — a crisis. We had to make up for lost years of investment by moving forward with a long-term plan to prepare our forces to counter the military capabilities our adversaries were developing for the future.

I know that all of you want peace and so do I. I know too that many of you seriously believe that a nuclear freeze would further the cause of peace. But a freeze now would make us less, not more, secure and would raise, not reduce, the risk of war. It would be largely unverifiable and would seriously undercut our negotiations on arms reduction. It would reward the Soviet for their massive military buildup while preventing us from modernizing our aging and increasing vulnerability of our military forces. And yes, there has been some waste in the past. But we are now paying the inflated cost of neglect in the 1970's. We would only be fooling ourselves, and endangering the future, if we let the bills pile up for these bills always come due, and the later they come due, the more they cost in treasure and in safety.

A Change in Direction

Believe me, it wasn't pleasant for someone who had come to Washington determined to reduce Government spending, but we had to move forward with the task of repairing our defenses conflict now and in the future. We had to demonstrate to any adversary that aggression could not succeed and that only real security comes from a substantial and effectively verifiable arms reduction — the kind we're working for right now in Geneva.

Thanks to your strong support, and bipartisan support from the Congress, we began to turn things round. All we are asking for is your continued support and encouragement. Quality recruitment and retention are up, dramatically — more high school graduates are choosing military careers and more experienced career personnel are choosing to stay. Our men and women in the last are getting the tools and training they need to do their jobs.

Ask around today, especially among our young people, and I think you'll find a whole new attitude toward serving their country. This reflects more than just better pay, equipment and benefits. The American people have sent a signal to these young people that it is once again an honor to wear the uniform. That's not something you measure in a budget, but it is a very real part of our nation's strength.

It will take us longer to build the kind of equipment we need to keep peace in the future, but we've made a good start.

Bombers and Submarines

We have not built a new long-range bomber for 21 years. Now we're building the B-1. We had not launched one of our strategic submarines for 21 years. Now we're building one Trident submarine a year. Our land-based missile force is increasingly threatened by the many huge, new Soviet ICBMs. We are determining how to solve that problem. At the same time, we are working on the START and N-2 negotiations, with the goal of achieving deep reductions in the strategic and intermediate nuclear arsenals of both sides.

We have also begun the long-needed modernization of our conventional forces. The Army is getting its first new tank in 20 years. The Air Force is modernizing. We are rebuilding our Navy, which has shrunk from about 1,000 ships to 633 ships during the 1970's. Our tank fleet is a superior Navy to support our military forces and our essential tasks. We are now on the road to achieving a 600-ship Navy and increasing the amphibious capabilities of our Marines, who are now serving the cause of peace in Lebanon. And we are building a real capability to assist our friends in the vital Indian Ocean and Persian Gulf region.

This adds up to a major effort, and it is a big step. It comes at a time when there are no other pressures on our budget and when the American people have already had to make major sacrifices during the recession. But we

must not be misled by those who would make defense once again the scapegoat of the Federal budget.

Change in Spending Pattern

The fact is that in the past few decades we have seen a dramatic shift in how we spend the taxpayer's dollar. Back in 1955, payments to individuals took up only about 20 percent of the Federal budget. For nearly three decades, these payments steadily increased and this year will account for 40 percent of the budget. By contrast, in 1955, defense took more than half of the Federal budget. By 1980, this spending had fallen to a low of 23 percent. Even with the increase I am requesting this year, defense will still amount to only 23 percent of the budget.

The calls for cutting back the defense budget come in nice simple arithmetic. They're the same kind of talk that led the democracies to neglect their defenses in the 1930's and invited the tragedy of World War II. We must not let that grim chapter of history repeat itself through apathy or shortsightedness.

Yes, we pay a great deal for the weapons and equipment we give our military forces. And yes, there has been some waste in the past. But we are now paying the inflated cost of neglect in the 1970's. We would only be fooling ourselves, and endangering the future, if we let the bills pile up for these bills always come due, and the later they come due, the more they cost in treasure and in safety.

Appeals to Congress

This is why I am speaking to you tonight — to urge you to tell your Senators and Congressmen that you know we must continue to restore our military strength.

If we stop in midstream, we will not only jeopardize the progress we have made to date — we will mortgage our future. One of the tragic ironies of history — and we've seen it happen more than once in this century — is the way that the choices military leaders make in the face of adversity are based on pressing their people, grow strong while, through wishful thinking, free societies allow themselves to be lulled into a false sense of security.

Free people must voluntarily, through debate and democratic means, meet the challenge the totalitarians pose by compulsion.

It is up to us, in our time, to choose, through debate and democratic means, not only the task of preserving peace and freedom and the temptation to ignore our duty and blindly follow for the best while the enemies of freedom grow stronger day by day.

The solution is well within our grasp. But to reach it, there is simply no alternative but to continue this year, in this budget, to provide the resources to meet the challenge the peace and guarantee our freedom.

Hope for the Future

Thus far tonight I have shared with you my thoughts on the problems of national security we must face together. My predecessors in the Oval Office have appeared before you on other occasions to describe the threat posed by Soviet power and have proposed steps to address that threat. But since the advent of nuclear weapons, those steps have been directed toward deterrence of aggression through the promise of retaliation. The notion that no national nation would launch an attack that would inevitably result in unacceptable losses to themselves. This approach to stability and offensive threat has worked. We and our allies have succeeded in preventing nuclear war for three decades. In recent months, however, my advisors including, in particular, the Joint Chiefs of Staff, have underscored the bleakness of the future before us.

Over the course of these discussions, I have become more and more convinced that the human spirit must be capable of rising above dealing with other nations and human beings by threatening their existence. I believe we must take a more thoroughgoing examination every opportunity for reducing tensions and for introducing greater stability into the strategic relationship on both sides. One of the most important contributions we can make is, of course, to lower the

level of all arms, and particularly nuclear arms. We are engaged right now in several negotiations with the Soviet Union to bring about a mutual reduction of weapons. I will report to you a week from tomorrow my thoughts on that score. But let me just say I am totally committed to this course.

Specter of Retaliation

If the Soviet Union will join us in our effort to achieve major arms reduction we will have succeeded in stabilizing the nuclear balance. Nevertheless it will still be necessary to rely on the specter of retaliation — on mutual threat, and that is a sad commentary on the human condition. Would it not be better to save lives than to avenge them? Are we not capable of demonstrating our peaceful intentions by applying all our abilities and our ingenuity to achieving a truly lasting stability? I think we are — indeed, we must!

After careful consultation with my advisors, including the Joint Chiefs of Staff, I believe there is a way. Let me share with you a vision of the future which offers hope. It is that we embark on a program to counter the awesome Soviet missile threat with measures that are defensive. Let us turn to the very strengths in technology that spawned our great industrial base and that have given us the quality of life we enjoy today.

Up until now we have increasingly based our strategy of deterrence upon the threat of retaliation. But what if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?

A Long Effort

I know this is a formidable technical task, one that may not be accomplished before the end of this century. Yet, current technology has attained a level of sophistication where it is reasonable for us to begin this effort. It will take years, probably decades, of effort on many fronts, and it will be failures and setbacks just as there will be successes and breakthroughs. And as we proceed we must remain constant in preserving the nuclear deterrent and maintaining a solid capability for flexible response. But is it not worth every investment we make to free the world from the threat of nuclear war? We know it is!

In the meantime, we will continue to pursue real reductions in nuclear arms, negotiating from a position of strength that can be insured only by modernizing our strategic forces. At the same time, we must take steps to reduce the risk of a conventional military conflict escalating to nuclear war by improving our nonnuclear capabilities. America does possess — now the technologies to attain very significant improvements in the effectiveness of our conventional forces. Proceeding boldly with these new technologies, we can significantly reduce any incentive that the Soviet Union may have to threaten attack against the United States or its allies.

An Identity of Interests

As we pursue our goal of defensive technologies, we recognize that our allies rely upon our strategic offensive power to deter attacks against them. Their vital interests and ours are inextricably linked — their safety and ours are one. And no change in technology can or will alter that reality. We must and shall continue to honor our commitments.

I clearly recognize that defensive systems have limitations and raise certain problems and ambiguities. Paired with offensive systems, they can be viewed as fostering an aggressive policy and no one wants that.

But with these considerations firmly in mind, I call upon the scientific community who gave us nuclear weapons to turn their great talents to the cause of mankind and world peace; to give us the means of rendering these nuclear weapons impotent and obsolete.

Tonight, consistent with our obligation under the ABM Treaty and recognizing the near final decision with our allies, I am taking an important first step. I am directing a comprehensive and intensive effort to define a long-term research and development program to begin to achieve our ultimate goal of eliminating the threat posed by strategic nuclear missiles. This could pave the way for arms control measures to eliminate the weapons themselves.

We seek neither military superiority nor political advantage. Our only purpose is to reduce the danger of nuclear war.

My fellow Americans, tonight we are launching an effort which holds the promise of changing the course of human history. There will be pain and results take time. But with your support, I believe we can do it.

Pentagon Announces Plans For Sale of Missiles to Israel

WASHINGTON, March 23 (AP) — The Pentagon has proposed the first sale of United States arms to Israel since the invasion of Lebanon last year, strained relations between the two countries.

The Defense Department notified Congress on Tuesday that it wanted to sell Israel 200 Sidewinder air combat missiles for about \$160 million.

The formal notification went to Congress a day after the new Israeli Defense Minister, Moshe Arens, announced in Tel Aviv that Israel would provide the United States additional military information on the performance of United States weapons in the hands of Israelis.